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DOCUMENT RESUME

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[Comments on GAO Report "Army Reserve and Army National Guard Unit Reorganizations Disruptive: More Effective Controls Needed"]. LCD-78-405; B-157371. November 28, 1977. 4 pp.

Report to Rep. Eldon Rudd; Rep. Morris K. Udall; Rep. John J. Rhodes; by Elmer B. Staats, Comptroller General.

Issue Area: Military Preparedness Plans: Military Forces Readiness (805); Personnel Management and Compensation: All Volunteer Force Needs (303).

Contact: Logistics and Communications Div.

Budget Function: National Defense: Department of Defense - Military (except procurement & contracts) (051).

Organization Concerned: Department of the Army: Army Reserve; Department of the Army: National Guard Bureau; Department of Defense.

Congressional Relevance: Rep. Eldon Rudd; Rep. Morris K. Udall; Rep. John J. Rhodes.

A letter from Major General J. G. Smith, Jr., Arizona National Guard, concerned the GAO report entitled "Army Reserve and Army National Guard Unit Reorganizations Disruptive: More Effective Controls Needed." General Smith charged that: a portion of the report was addressed almost exclusively to reorganizations that took place in February-April 1976 in Arizona, California, and Michigan; the actions involved units with a strength of 1,247, compared to the approximately 400,000 authorized strength of the National Guard; the Arizona Guard's first notice that the report was issued was from the news media; the audit in Arizona was conducted by one man in approximately 12 to 14 man-hours during September 27-29, 1976; facts and findings pertaining to Arizona were not submitted to the Adjutant General for review in accordance with GAO procedures; and the general received an "outline summary" of observations in which the primary item was a \$400,000 construction cost estimate attendant to the Arizona-Michigan-California reorganizations. Findings/Conclusions: GAO analyzed approximately 20 major Army National Guard reorganizations and included the Arizona-Michigan-California reorganizations as an example of the costly effects of unit reorganizations undertaken for reasons other than improving overall structure or unit readiness. Regrets were offered for failure to provide copies of the report promptly, but briefings and a summary were provided to the general. Significantly more time was spent on evaluations than indicated by General Smith's letter. While in Arizona, a GAO representative reviewed the GAO report process with the general, but in the interest of timely reporting, the report was issued to the Secretary of Defense without obtaining written comments from the Army Reserve and National Guard. A review of documents showed that the \$400,000 construction cost estimate was still a high-priority item, and the Guard included the project in its

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fiscal year 1979-83 five-year construction plan for fiscal year  
1981. (Author/HTW)



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

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B-157371

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The Honorable Eldon Rudd  
The Honorable Morris K. Udall  
The Honorable John J. Rhodes  
The House of Representatives

NOV 28 1977

Thank you for forwarding the October 20, 1977, letter you received from Major General J. G. Smith, Jr., Arizona National Guard, the Adjutant General, State of Arizona. We appreciate the opportunity to provide our comments.

General Smith's letter, concerning our report entitled "Army Reserve and Army National Guard Unit Reorganizations Disruptive: More Effective Controls Needed," LCD-77-439, Oct. 12, 1977, stated that:

--Chapter 4 of our report addressed almost exclusively reorganization actions that took place in February--April 1976 in Arizona, California, and Michigan.

--The actions involved units with a total strength of 1,247, compared to the approximately 400,000 authorized strength of the National Guard.

--The Arizona Guard's first notice that our report was issued was from the news media.

--Our audit in Arizona was conducted by one man in approximately 12 to 14 man-hours during September 27-29, 1976.

--We had assured General Smith that "the facts and findings pertaining to Arizona would be submitted to the Adjutant General for review and comment in accordance with GAO procedures," but this was not done.

--On October 1, 1976, the General received an "outline summary" of our observations, the primary item of which, in his opinion, was a \$400,000 construction cost estimate attendant to the Arizona-Michigan-California reorganizations.

LCD-78-405  
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--The General told us that the Arizona Guard did not include this cost in its 5-year program for 1975, 1976, or 1977.

During our review of Reserve and Guard unit reorganizations, we analyzed approximately 20 major Army National Guard reorganizations involving several hundred individual units and thousands of personnel. The Arizona-Michigan-California reorganizations discussed in General Smith's letter were included in our report as an example of the costly and disruptive effects of unit reorganizations undertaken for reasons other than improving the overall total Army force structure or improving unit readiness. The actions, which involved 30 Army Guard units and a total of 3,476 personnel authorizations, illustrate the impact of reorganizations on the total Army force structure and the secondary effects that can result.

As General Smith's letter indicates, much of Chapter 4 of our report involves the Arizona-Michigan-California reorganizations. However, because of the complexity of these actions and their widespread ramifications, we believe they should be explained in detail to be clearly understood.

The Arizona-Michigan-California reorganizations affected not only the 1,247 personnel authorizations General Smith mentioned, but also an additional 2,229 authorizations--the result of reorganizing an additional 24 units to accommodate the six primary actions of reorganization.

We regret not promptly providing General Smith with copies of our report. However, at the conclusion of our work in Arizona our representative gave General Smith an exit briefing on the results of his work there. In addition, immediately after his visit, he mailed a written summary of his observations on the work done in Arizona to the General.

We spent significantly more time evaluating these actions than indicated by General Smith's letter. Before our visit to Arizona, considerable analysis was done on these actions at the Army Guard headquarters; our staff member then spent some 3-1/2 days in Arizona on the same subject; and after the Arizona visit, our Washington staff made further analysis at the Guard headquarters. Later, the auditor who visited Arizona was called to Washington, D.C., to further refine this effort.

As is our general rule, while in Arizona our representative reviewed the usual GAO report process with General Smith. He

explained that anticipated reports to the Congress normally are sent to the agency involved in draft form along with a request for formal written comments which are considered in preparing the final report. He also indicated that the agency normally prepares its written response by soliciting input from activities mentioned in the report draft.

We provided draft summaries of the results of our audit to the Chief of the Army Reserve and the Director of the Army National Guard. These documents were to provide the Reserve and Guard with the facts developed during the review and as discussion papers for summation conferences. At the Army Guard conference, the Director stated that the facts in our draft summary were accurate.

On the basis of the Reserve and Guard components' comments and views and in the interests of timely reporting and initiating corrective actions, we decided to issue the report to the Secretary of Defense without obtaining written comments. However, we included the views of the Army Reserve Chief and the Army National Guard Director in the report. We also hand-carried copies of the report immediately after its issuance to headquarters, even though initial distribution of the report was to have been made from the 40 copies provided to the Secretary of the Army.

Concerning the \$400,000 construction cost estimate mentioned in General Smith's letter, we identified this figure as a cost attendant to the reorganization actions. Arizona's reorganization plan for converting the Arizona military police units to field artillery units, dated January 13, 1976, clearly stated that facilities in Tucson, Arizona, would require future expansion, at an estimated cost of \$400,000, to accommodate the artillery units. A review of documents at the Army Guard Headquarters after our representative's visit to Arizona showed that this construction was still a high-priority item.

Followup review on the disposition of this construction work at the Army National Guard Headquarters, after we received a copy of General Smith's letter to you, showed that the Guard still includes the project in its fiscal year 1979-83 five-year construction plan in the fiscal year 1981 time frame. We understand that the Guard's construction budget process includes a

B-157371

review by State Reserve and Guard elements before the budget is submitted to the Congress.

We are enclosing a copy of our report for your information.

*Fleming A. Stacks*

Comptroller General  
of the United States

Enclosure